

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2022-23 Budget Estimates

Melbourne—Thursday, 19 May 2022

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Danny O'Brien—Deputy Chair

Mr Rodney Barton

Mr Sam Hibbins

Mr Gary Maas

Mrs Beverley McArthur

Mr James Newbury

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

Ms Mary-Anne Thomas MP, Minister for Agriculture,

Mr Simon Phemister, Secretary,

Ms Penelope McKay, Associate Secretary,

Mr Paul Smith, Deputy Secretary, Forestry, Resources and Climate Change, and

Mr Matt Lowe, Deputy Secretary, Agriculture, and Chief Executive, Agriculture Victoria, Department of Jobs, Precincts and Regions.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2022–23 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

We welcome Minister Thomas, in the first instance for the agriculture portfolio, and officers of your department. We invite you to make a brief opening statement, and this will be followed by questions from the committee. Thank you.

Visual presentation.

Ms THOMAS: Thank you very much, Ms Blandthorn. Victoria is Australia's agricultural powerhouse, accounting for 29 per cent of the nation's gross agricultural product. The past few years have shown just how important agriculture is to Victoria, maintaining its place as one of the state's economic pillars and the backbone of life in regional Victoria. Victoria exports more food and fibre products than any other state or territory, with 27 per cent of Australia's total in 2021, ahead of New South Wales, at 19 per cent. Victorian agriculture has grown strongly, from \$13.1 billion in 2015–16 to \$17.8 billion—an increase of 36 per cent. Victoria is Australia's top exporter for dairy, horticulture and prepared foods. It is the second-highest exporter of meat and a major exporter of other food and fibre products.

Over the past two years there has been no doubt that the impact of COVID-19, and in particular our closed borders, has caused uncertainty and disruption for many in the agriculture industry. Major challenges have included disruptions to supply chains, lower demand from key export markets and indeed critical workforce shortages. The Victorian government worked closely with the industry to address these challenges, investing \$84 million over two years. This action was necessary, especially due to a lack of coordination and leadership at the national level.

With the easing of direct COVID pressures and the relaxing of quarantine restrictions, the seasonal workforce program is now supporting a transition from emergency management to a more enduring approach that supports increased industry capability. As part of this approach, the Victorian government is delivering a \$2.93 million package, announced last December, which includes funding to continue the successful seasonal workforce coordinators and pilot a horticulture farm monitor program, a pilot group training model to link seasonal work to horticulture training and career pathways, and funds to continue the successful work

undertaken by the Sunraysia Mallee Ethnic Communities Council—and to extend these efforts to other community groups supporting migrant workers in Goulburn-Murray and in Gippsland.

Managing biosecurity threats is incredibly important in protecting Victoria's agriculture industry. I am extremely proud of the way my department continues to meet these challenges. Ag Vic has responded to a number of threats, including the detection of Japanese encephalitis virus, which has currently been detected on 23 properties across northern Victoria. Ag Vic has also been actively managing the increasing threat of exotic diseases that are not currently present in Victoria. These include African swine fever, foot-and-mouth disease and lumpy skin disease as well as others detected in other jurisdictions, including the red imported fire ant.

We are not just talking about diversification; it is happening right here in Victoria right now. The fact that the UK has become Victoria's largest wine export market essentially overnight is a huge success and a demonstration of the deep links Victoria's producers and exporters have across the globe. While we are already Australia's largest food and fibre exporter, the Victorian government has a target to grow the value of those exports to \$30 billion by the year 2030. To help the sector reach this goal we are investing in programs to expand access for Victorian producers into diverse international markets. This year we have seen significant work done through the \$5 million pathways to export program, which has helped to connect farmers with more international markets, including in the Middle East and North Africa.

It has been a busy year in the agriculture portfolio for legislation, with three bills introduced and the Agriculture Legislation Amendment Bill currently before the Parliament.

Thinking through some of our achievements, I would like now to talk about our agriculture sector pledge and the work that we are doing to address a changing climate. A number of achievements have been delivered under the agriculture sector pledge in its first year, including flagship trials at the Ellinbank SmartFarm in pasture-based grazing systems to test two promising methane-inhibiting feed additives for dairy cows for use on Victorian farms. Preliminary data from initial feeding studies has shown promising results, with methane emissions reduced by over 40 per cent when feed additives were offered twice daily in the dairy. In February 2022 the government released seven landmark climate change adaptation action plans, including one for the agriculture, forestry and fisheries sector. And I am very pleased to be able to continue to work with the Victorian Agriculture and Climate Change Council.

The Victorian forest and wood products industry is an important part of the state's economy, supporting regional development, boosting rural jobs and economies and contributing \$2.3 billion to gross state product. Already five out of six trees harvested in Victoria come from plantations. It is important to note that game hunting also makes a significant economic contribution to Victoria, particularly in our regions. In 2019 it was estimated that hunting activities by game licence holders contributed \$356 million to the Victorian economy. Hunting also generates important economic outcomes for rural and regional Victoria, with two-thirds of overall economic benefit occurring in the regions. It is a highly significant contributor in LGAs such as Mansfield, East Gippsland and Latrobe.

Talking more to our achievements in delivering the *Victorian Forestry Plan*, the government is continuing to support workers, communities and businesses, and we are providing unprecedented support through the *Victorian Forestry Plan* as we transition to a plantation-based timber sector. I was very pleased in December of last year to announce an additional \$100 million to support the delivery of that plan. If you look at the *Sustainable Hunting Action Plan*, you will see that it has been rolled out and includes \$1 million to kickstart the delivery of the traditional owner game management strategy, an important partnership here in Victoria with our traditional owners.

With growing consumer interest in new and emerging products involving plant-based proteins, we are investing \$12 million in infrastructure to help boost the sector in western Victoria. To maximise opportunities in the region, the government is investing in a state-of-the-art glasshouse complex at the Horsham grains innovation precinct, and importantly we are also adding a commercialisation and incubation hub to foster digital skills, start-ups, and support new business and industries by linking crop production research with facilities to test and assess quality and dietary benefits.

We are also boosting the emerging distillery industry here in Victoria, with Ag Vic taking on the delivery of the \$10 million distillery door grants program. Victorian grown is a new initiative, and the government is investing

\$2.9 million to support agribusinesses across the state to reach new markets and grow their sales both globally and at home. Farmers and producers will benefit from the new Victorian grown initiative, which will get more locally produced food on our tables and indeed into our markets. This budget also includes funding to continue to support Vic House in Shanghai. This provides food and fibre exporters with opportunities to promote directly to buyers in one of our key export markets.

We are making further investments to support biosecurity, including the delivery of joint emergency exercises, research and the development of a biosecurity citizen science toolkit. And we will continue to fund drought preparedness and business planning programs for farmers and communities to help build resilience to future droughts.

Animal welfare is getting a record boost in this budget, with \$18.6 million going to initiatives that support their care and protection. This includes funds for preparatory work for a new animal care and protection Act, Victoria's first-ever pet census, the delivery of Victoria's first comprehensive cat management strategy and a purpose-built regional animal facility that will service the needs of the growing Ballarat region and other LGAs surrounding that community.

As I said, as announced last December the government is enhancing our support for workers, communities and industry through the *Victorian Forestry Plan*, and this year's budget provides additional funding to deliver better protection of endangered species and improve forest fire management capability and maintenance of the forest road network.

Chair, as you can see, it has been a very busy and productive year in the agriculture portfolio, and I look forward to answering the committee's questions.

The CHAIR: Thank you. Deputy Chair.

Mr D O'BRIEN: Thank you, Chair, and good morning, Minister and team—welcome along. Minister, budget paper 5, page 107, in the 'Statement of Finances' has the balance sheet for the department, including other receivables. Is that where the \$2 million debt owed by MyEnvironment to VicForests and the Victorian taxpayers is allowed for?

Ms THOMAS: Well, thank you, Mr O'Brien, for that question. In relation to MyEnvironment—and of course you are referring to VicForests—decisions that VicForests makes in relation to its litigation strategy and the way in which it manages court claims against it are decisions for VicForests. But it is important that I remind you that VicForests of course, as a government business enterprise, is bound by the government's model litigant guidelines—model litigant guidelines, I might remind you, that were developed when the Liberal-National parties were in government. But in relation to decisions that VicForests make concerning litigation, concerning MyEnvironment, these are decisions for the VicForests board.

Mr D O'BRIEN: The question still stands, Minister: do the budget papers anywhere account for the outstanding liability as we are waiting for MyEnvironment to pay that debt?

Ms THOMAS: Once again—

Mr D O'BRIEN: It is not a question for VicForests. It is in the budget papers, your portfolio—whether that debt has been accounted for in the budget papers.

Ms THOMAS: I might ask the Secretary if he could respond to that question.

Mr PHEMISTER: Yes. Mr O'Brien, I am not sure of the status of that debt, whether it has been written down as bad debt or whether it is sitting as a contingency on the balance sheet of VicForests. Where exactly in the budget papers that transfers I could not answer right now. I will have to take that on notice.

Mr D O'BRIEN: So Minister, Secretary, you cannot tell me whether that debt has been written off or is still being pursued?

Mr PHEMISTER: It sits on the balance sheet of VicForests, so every year when they close their accounts they determine where that balance should sit.

Mr D O'BRIEN: Okay. VicForests is not here, so can I ask you to take that on notice as to whether that debt has been written off or not?

Mr PHEMISTER: I can certainly take it on notice, Mr O'Brien.

Mr D O'BRIEN: Thank you. Minister, you would be aware of course of the *Weekly Times* article on 9 February that indicated that you had written to VicForests and told them not to pursue that debt. Is that accurate?

Ms THOMAS: I have issued no directions to VicForests.

Mr D O'BRIEN: Did you write to VicForests about this debt?

Ms THOMAS: I have written to VicForests on a number of occasions, as you would expect.

Mr D O'BRIEN: Did you write to VicForests about this particular debt and direct them not to pursue the \$2 million owed to Victorian taxpayers by MyEnvironment?

Ms THOMAS: No direction has been issued by me to VicForests, and I might say that the Chair has confirmed that.

Mr D O'BRIEN: You have not answered the question, though, Minister. You have written to VicForests.

Ms THOMAS: Yes.

Mr D O'BRIEN: Did you tell them not to pursue the debt?

Ms THOMAS: No.

Mr D O'BRIEN: Did you have any discussions with the minister for environment about this particular debt?

Ms THOMAS: No.

Mr D O'BRIEN: Has she asked you not to pursue the debt?

Ms THOMAS: No.

Mr D O'BRIEN: Have you discussed the matter with the Treasurer, given that the two shareholders of VicForests are you and the Treasurer?

Ms THOMAS: I really cannot recall, but I did—

Mr NEWBURY: Oh!

Mrs McARTHUR: That is the usual excuse.

Ms THOMAS: Well—

The CHAIR: Mr Newbury and Mrs McArthur, the call is not with you.

Mr D O'BRIEN: It is a fairly significant issue. I mean, as you know, VicForests has been under significant financial pressure because of litigation from green activist groups. To have a \$2 million debt outstanding owed to the taxpayer, owed to VicForests—it seems extraordinary that you would not have discussed that with the other shareholder of VicForests.

Ms THOMAS: Well, I meet with the Treasurer on many occasions and discuss numerous things with him. I really would not feel comfortable definitively answering that question, because I may have and I may not have.

Mrs McARTHUR: Huh!

Ms THOMAS: Well—

Mr NEWBURY: Come on, this is hilarious. It is the government line—they ‘don’t recall’, they ‘don’t recall’.

The CHAIR: Mrs McArthur and Mr Newbury, you do not have the call.

Mrs McARTHUR: You either did or you did not.

Mr NEWBURY: It is just a lie.

The CHAIR: Mrs McArthur and Mr Newbury, you do not have the call. And, Mr Newbury, please!

Mr D O’BRIEN: So the *Weekly Times* article that said you wrote to VicForests, is that completely wrong? You did not write to VicForests?

Ms THOMAS: No, I wrote to VicForests. I write to VicForests. I have written to the chair of the board on a couple of occasions.

Mr D O’BRIEN: Can the committee have a copy of the letter in respect of this particular issue that you wrote to VicForests?

Ms THOMAS: I do not have that letter on me, and I do not think it is appropriate.

Mr D O’BRIEN: No, I am not expecting you would, but will you provide it to the committee?

Ms THOMAS: I do not think that is necessary.

Mr D O’BRIEN: With respect, Minister, that is not your call. This Public Accounts and Estimates Committee is probing the transparency and efficiency of government spending and decision-making. We are talking about a \$2 million debt owed to the Victorian taxpayer. Will you provide that letter to this committee?

Ms THOMAS: No, it would not be appropriate, because it is entirely likely that there are parts of that letter that are commercial in confidence, and so I will not be providing that.

Members interjecting.

The CHAIR: Mr Newbury and Mrs McArthur, if you could please refrain from interrupting.

Mr NEWBURY: It is just so hard not to.

The CHAIR: Well, Mr Newbury, it is very difficult to hear answers to the questions that I am sure Mr O’Brien would like to hear, so could you please stop interrupting?

Mr D O’BRIEN: What possible aspect of a debt with an environment group and a Victorian government entity could be commercial in confidence, Minister?

Ms THOMAS: Once again, Mr O’Brien, I remind you that VicForests, like every other government entity, has to pay attention to our model litigant guidelines.

Mr D O’BRIEN: What does that mean?

Ms THOMAS: What that means is that undertaking legal action where there is very little hope of recovery or indeed against an organisation that does not have or is unlikely to have the funds is really a waste of everyone’s time and effort and would only—

Mr D O’BRIEN: That seems to tell me that you have written it off, that you are not going to pursue it at all.

Ms THOMAS: Our model litigant guidelines make it pretty clear that we do not seek to take legal action where it is unlikely to be successful.

Mr D O’BRIEN: Given the green lawfare that has dogged the industry in the last couple of years, what action have you taken then to stop these organisations taking action against the government, against VicForests, that shuts down the timber industry and then is completely unrecoverable when they lose?

Ms THOMAS: Thank you for that question, because I can detail to you a number of actions that we have taken in relation to ensuring that VicForests can do its work. As you would well know, Mr O'Brien, legislation has been passed through the Parliament to establish compliance standards which will ensure greater regulatory certainty for VicForests. Not only that, we have made more than 3000 amendments to the Code of Practice for Timber Production, a code which I might remind you was written, once again, by the Liberal-National party—3000 amendments we had to make to make it legible. So we are—

Mr D O'BRIEN: Oh, so it is our fault, eight years down the track?

The CHAIR: Mr O'Brien.

Ms THOMAS: We have made those amendments. We have initiated a comprehensive review of the code. As I said before, we have passed the conservation, forests and lands amendment. These are some of the actions that we are taking in response to the actions that are being taken by environmental groups about VicForests. We want to ensure—the interests of the government are about ensuring—regulatory certainty that will enable VicForests and its contractors to go about doing their work.

The CHAIR: Thank you, Minister. Mr Maas.

Mr MAAS: Thank you, Chair, and thank you, Minister and department officials, for your attendance this morning. Minister, if I could take you to the delivery of the *Victorian Forestry Plan*—and there is a reference there in budget paper 3 at page 75—I was hoping you would be able to explain for the committee what additional support is being offered through the plan to affected workers and communities?

Ms THOMAS: Yes. Thank you very much, Mr Maas, and thank you for that question, which enables me to elaborate further on some of the issues that Mr O'Brien sought to query. In December last year, as I have mentioned, this government bolstered its support for the *Victorian Forestry Plan* and in particular for the workers that we know will be impacted. And, Mr Maas, as you well know, given your history fighting for working people, you will know how difficult these decisions are. When we make a policy decision that is about an orderly transition, only Labor governments can be trusted to stand by workers every step of the way. And indeed—

Mr D O'BRIEN: As they shut down their industry.

The CHAIR: Mr O'Brien!

Ms THOMAS: that is what we are doing.

Mr D O'BRIEN: As you shut down their industry.

The CHAIR: Mr O'Brien, you have had your turn.

Members interjecting.

The CHAIR: Order! Mr O'Brien, Mrs McArthur, Mr Newbury.

Ms THOMAS: The additional *Victorian Forestry Plan* commitments to timber communities and families boost overall transition investment to more than \$200 million. This additional investment in the forestry plan means more support will be on the ground to ensure that the transition is undertaken in a smooth and managed way. We want to see these communities thrive well into the future with stronger and more diverse economies. Why is this important? Because it will deliver more work and career choices for locals so that they can stay in the communities that they love—

The CHAIR: Sorry to interrupt, Minister. Mr Newbury, your laughing is constantly throughout—

Mr NEWBURY: I cannot help it. The Minister is just hilarious.

The CHAIR: Mr Newbury, you do not have to agree with the answers given, but your laughing is simply rude. Could you please refrain.

Ms THOMAS: Any economic transition is hard, and I know how proud these workers, employers and communities are. For many they have worked for generations in the native timber industry, and I acknowledge that. Our government works to ensure—

Members interjecting.

The CHAIR: Mr Newbury and Mrs McArthur, please control yourselves.

Mr MAAS: Chair, I note that you have given three directions now to not mock while the witness is trying to give evidence, and so on that basis and just given the mocking nature of the interruptions, I would seek that my time be extended.

The CHAIR: Thank you, Mr Maas. Mr Newbury, if you could please refrain from laughing and mocking witnesses, that would be appreciated.

Mr NEWBURY: I do not mock. Please do not use language like that, Labor Chair—misuse your position as a Labor MP.

The CHAIR: Mr Newbury, please stop.

Mr NEWBURY: Misuse your position.

The CHAIR: Mr Newbury, I am pausing Mr Maas's time. Could you please stop interrupting and speaking over the top of me and could you please stop making fun of the witnesses before us.

Mr NEWBURY: I have not made fun. Please do not use language that is completely inappropriate and untrue.

The CHAIR: Mr Newbury, please stop interrupting me as Chair when I am trying to speak.

Mr NEWBURY: Use your position as the Labor Chair.

The CHAIR: Mr Newbury, it is offensive to laugh over the top of witnesses in the way that you are constantly doing, and I would ask that you stop.

Mr D O'BRIEN: Chair, on the point of order?

The CHAIR: Mr O'Brien.

Mr D O'BRIEN: The commentary coming from this side is because the minister and the government are mocking timber industry communities by saying they care about them, and you cannot expect us to sit here and just assume this is okay.

The CHAIR: Mr O'Brien, all I ask is that members of this committee conduct themselves respectfully at the people who are before them. You do not have to agree with or like the answers that are given, but you do have to be respectful to the people before you. I would have thought that a foundation class would understand that, let alone the members of this committee. If you could treat each other with respect, that would be appreciated. Mr Maas.

Mr MAAS: Thank you, Chair. Thanks, Minister.

Ms THOMAS: Thank you, Mr Maas. Back to the investments that we are making, we have increased redundancy payments for workers up to \$120 000; we have established a dedicated worker outreach transition service. The funding will also deliver an equipment retirement payment of up to \$250 000 per business and increased worker relocation support from \$20 000 to \$45 000 should workers choose to seek work elsewhere. We are doubling mill site rehab funding from \$75 000 to \$150 000 and we are establishing an opt-out package for timber mills. So I am very proud to be delivering this package, and of course it is something that I have worked with the national secretary of the CFMEU manufacturing division, Michael O'Connor, to deliver for his members.

The Victorian government is also backing industries through our forestry business transition vouchers and our Victorian Timber Innovation Fund. Now, we are expanding the Victorian Timber Innovation Fund and the forestry business transition voucher program by a further \$20 million. We are increasing the local development strategy program funding from \$360 000 to \$500 000, and we are establishing a \$22 million Community Transition and Development Fund to support and fund early opportunities identified through the local development strategies. On 20 April this year I visited Alexandra in the Murrindindi shire to announce their participation in the local development strategy grants scheme. I might say that I was very warmly received by Murrindindi shire councillors, and it was great to meet with the mayor, the deputy mayor and other councillors who know these communities very well.

So our timber industry will look different, but it is important to note—and I expect I will say this a number of times today—that five out of six logs that are processed here in the state come from plantation timber. We took the hard decision in relation to native timber because our native timber supply was under extreme stress anyway. We saw this in the 2019–20 bushfires. It is an industry that needs a planned transition. Only a Labor government has the courage to take this on. But we will stand by workers, we will stand by communities and we will stand by impacted businesses.

The Victorian Timber Innovation Fund shows that many of our timber businesses and mills are fully aware that this transition is inevitable, and we have seen a great take-up of that program. Round 1 was released on 9 October 2020, and I can tell you that grants have been taken up by Australian Sustainable Hardwoods, Radial Timber in Yarram, Ryan and McNulty in Benalla and Longwarry mill, which is now looking to install the equipment that will enable it to process recycled and reclaimed timbers. Indeed Brunts Harvesting from Bairnsdale have also taken up this opportunity. I think it is really important that what we are seeing is a much greater awareness that timber is a scarce resource and it needs to be treated with respect. We need to ensure that the logs that are harvested, be they plantation logs or indeed the logs that will continue to be harvested from our native forests until 2030, are treated with utmost respect and that we work to ensure that we are maximising the value of each of those logs. That is what is driving innovation in the sector.

I am very happy to work very well with the timber industry. I meet regularly with proponents from the contractors association and the Vic Forest Products Association, and I look forward to continuing to do that, Mr Maas. But again, I will come back to your question. I am in no doubt that this is a difficult and a complex process. That is why we have a 10-year transition plan in place. That is why we will stand by workers every step of the way as we transition from a native timber to a plantation-based timber industry. Victoria has a strong timber future. We will have a great timber industry. We already have one, and we will continue to have one. It is only this government that will deliver that future because those on the other side will turn the clock back and give false hope to communities, particularly in East Gippsland.

Mr MAAS: Thanks, Minister. Thank you, Chair.

The CHAIR: Thank you, Minister. Mr Hibbins.

Mr HIBBINS: Thank you, Chair. Thank you, Minister and your team, for appearing this morning. You have already given some details in terms of the budget line item ‘Implementation of the Victorian Forestry Plan’. I am interested to know just what the total funding allocation is to certain elements of that budget line item. Number one is protection of the Leadbeater’s possum and number two is road maintenance. How much of the funding from that budget line item is going to those two elements?

Ms THOMAS: Okay. Well, I can tell you that Leadbeater’s possum is around \$14 million. I would need to find the exact amount. In terms of road maintenance, I might just refer to Mr Paul Smith.

Mr SMITH: The budget allocations are provided to VicForests for a range of non-commercial activities, including the protection of Leadbeater’s possum, roads and other things, as well as contributing to the bushfire prevention and response activities during the summer period. So they are a collective amount of money that is given to VicForests. VicForests make those allocations internally.

Mr HIBBINS: Okay. So they determine how much to spend on the individual elements.

Mr SMITH: They make that decision; correct.

Mr HIBBINS: Okay. All right. Thank you. Can I ask now about the budget line item ‘Climate ready agriculture’. Can I ask: is any of that going towards assisting farmers to adopt regenerative agriculture practices, and is there anything that the government is doing to support those practices?

Ms THOMAS: Well, absolutely. I might just start. As has been noted, we have an agriculture sector pledge in place, which is aimed at reducing the emissions that are generated through agriculture. We know here in Victoria that our farmers are on the front line when it comes to experiencing the real impacts of climate change. When I get out and meet with farmers they want to see a government that takes real action on climate change, and I am delighted to be able to partner with farmers and farmer associations in relation to this.

I will just go, if I may, quickly, to regenerative—the question that you raised. I talk to farmers a lot about this, and I think it is important to point out, Mr Hibbins, that farmers are already great managers of their land. Farmers care for their land and they have done for generations here in Victoria. Our farmers know that the only way to ensure productive land is to care for it. When you talk about regenerative agriculture, I am never quite sure what that means because what I see in practice and the farmers that I talk to—and this is farmers across all scales—

Mr HIBBINS: Some examples might include zero-till cropping or biodiversity plantings on the farm. So there are a couple of elements of regenerative agriculture.

Ms THOMAS: Well, let me tell you many of these are in fact normal farming practices, Mr Hibbins. I am really very conscious of being able to support farmers right across Victoria, who are absolutely interested in innovating on farm. One of the most exciting elements of our agriculture sector pledge is our commitment to deliver 250 on-farm pilots, which will enable farmers to take action, determined by them, supported by our agricultural research scientists, to calculate and then reduce emissions on farm. Only last week I was down in the Gippsland region, in South Gippsland, actually near the Prom, at a beautiful cattle farm—

Mr HIBBINS: Can I just clarify—I am sure it is a fantastic anecdote—

Ms THOMAS: Oh, but I wanted to tell you because their shelterbelts were quite extraordinary, Mr Hibbins, and I am sure that you would be in awe of their farming practice. The people that I met—you will also be pleased to know that at the front of their farm they had a ‘Farmers for Climate Action’ corflute, but nonetheless—

Mr HIBBINS: Wonderful. You are talking about existing things that farmers are doing, but the budget allocation is fairly modest. I mean, surely we would need a more significant increase in that budget allocation to really see the sort of change right across the agriculture sector.

Ms THOMAS: Well, the point that I would make in response to your question is that farmers are already taking these actions themselves, and our role as government is to partner with farmers but to support them with the research and the information that they need to take the action that they already want to take. So \$20 million is a significant commitment, but we recognise also it is a foundational commitment. Our job is to develop the tools that will support farmers to make the decisions that are right for their farm. But I want to challenge you in relation—

Mr HIBBINS: Challenge me? What am I—

Ms THOMAS: I do, because your question suggests that conventional farmers are not taking action on climate change. That is not—

Mr HIBBINS: Excuse me, do not create another straw man argument or hide behind something I am saying. This is going to need significant government investment, and I think it is a fairly reasonable question. I am not making any assumptions about anyone else, so please.

I would like to move on. The Game Management Authority noted that habitat is patchy across eastern Australia, with areas of good habitat and areas that are yet to recover from the 2017 to 2019 drought. Game duck populations are low. Why was this year’s duck-shooting season the longest since 2018?

Ms THOMAS: Thanks very much for the question. As agriculture minister I have taken the advice that has been provided to me by the Game Management Authority in relation to the duck season, and I want to assure

you that now more than at any other time we have much better information on which GMA will make its recommendations to me. As we move to an adaptive harvest model we have implemented some further strategies to help us count native birds. In 2022 the duck-hunting season advice was based on independent harvest modelling by two experts in waterfowl ecology and population dynamics, professors Klaassen and Kingsford, and the GMA were able to use the latest and most comprehensive data available to make the recommendations to me. What is very clear from those waterfowl ecology experts is that what matters is bag limits rather than length of season. So on that basis recommendations were made to me which I accepted and indeed the minister for environment accepted as well.

Mr HIBBINS: Is there any data on how many shooters have been charged with breaking the rules, such as on bag limits or disregarding species?

Ms THOMAS: Well, I can tell you that the GMA has been very active on the ground. Authorised officers have been on the ground, and I can tell you that from the beginning of this duck-hunting season 1139 game licences have been checked and 896 hunter bags have been checked. The number of hunters who had overbagged was zero, the number of protesters observed or engaged with was 424, the number of banning notices issued was four, the number of PINs to be issued was 18, the number of briefs or investigations to be conducted was 17, and the total number of wetlands attended was 183 and there were 512 total attendances.

Mr HIBBINS: And how many hunters overall? Do you have a figure for that?

The CHAIR: Sorry, Mr Hibbins. Your time has expired. Ms Richards.

Ms RICHARDS: Thank you, Minister and officials, for your time here this morning and your contributions. I am interested in exploring the Horsham grains innovation precinct, and I would like to particularly refer you to budget paper 3, page 88. Could you please explain what the research glasshouse complex at Horsham will mean for local farmers and the boosting of farm productivity and profitability?

Ms THOMAS: Thank you very much, Ms Richards, for that question. I was in Horsham just last week to announce the \$12 million that this budget has committed to the ongoing development of the grains innovation precinct in Horsham. If you have not been to this precinct, I really encourage you to go, because the research that is happening in that precinct is absolutely world class. This is a great asset that the community of Horsham have. As I said, there are so many scientists in one place leading research which is focused on enhancing our grains and our crops but also now, importantly, looking at the opportunities that alternative proteins deliver for us here in Victoria and, importantly, that they deliver for us to help ensure that we continue to feed the world. One of the things that I think of as Minister for Agriculture is the great privilege it is to live in a country that produces so much food, so much more than we actually need, that we are the leading exporter nation. This is a great privilege and something that we should protect at all times. Western Victoria and the Wimmera Southern Mallee are leaders in producing crops that can be used in plant-based protein products, such as lentils, faba beans, field peas and canola. Now, faba beans and field peas have traditionally been seen as low-value crops, but in fact because of their high concentration of protein—indeed as I was able to witness at the innovation precinct—our scientists are looking to extract the protein and reduce it down, and then they are able to add it to other foods to ensure that we are enhancing other foods. When I was there, I saw bread being baked—obviously wheat is something we have always grown and are very proud of, and the Wimmera is the wheat capital—and I saw bread that had been protein enhanced by taking a carbohydrate and ensuring that it was more nutritious. When you think about the possibilities for that, it is absolutely incredible.

We are building new research glasshouses, which I might add are no longer made of glass, which is a very important occupational health and safety measure. We are building the new glasshouse complex and, importantly, building a science and business incubation hub. Now, what that will enable—and I have seen this in place in Tatura but also at AgriBio at La Trobe—is industry to come together, startups and entrepreneurs and so on, to connect with this world-leading research to see it in action and to connect directly with the farmers. This is a very, very exciting development.

When I first became Minister for Agriculture one of the things that I was really struck by was the amount of raw primary produce that we just shipped off. We trucked all our grains and our wheat and our lentils down to the port and sent them unprocessed overseas. What we have to do, what this government is focused on, is value-adding here in Victoria. We have got the science, we have got the manufacturing capability and we have

the premium raw product, and the alternative protein sector really provides an opportunity for us to lead. Indeed—what day is it today?—I think two days ago I was at the alternative protein conference here in Melbourne, and I met with many of the movers and shakers in this industry to see what is happening, including key manufacturers and food producers. I was there with people from Grill'd burgers and the people that supply the alternative meat product to Four'n Twenty to make non-meat pies. I mean, it is fascinating. I think that it is really important that we take advantage of this.

Now, for thousands of years there have been people all around the world who are non-meat eating. I mean, around 40 per cent of the global population is currently vegetarian. For me, the key driver is the opportunity to add enhanced nutritional quality to our foods that we already eat, to grow the industry and to grow the jobs and opportunities. Horsham is going to be the centre of that great innovation, and it will be supported by our \$12 million investment.

Ms RICHARDS: Minister, I am interested in exploring what other investments the government is making into research to support other agricultural sectors.

Ms THOMAS: Yes. Thank you. I have talked about the work that we are doing at Horsham. Let me tell you about the Ellinbank SmartFarm at Ellinbank. Again, I believe, Mr O'Brien, it is in your electorate.

Mr D O'BRIEN: No.

Ms THOMAS: No, not quite.

Mr D O'BRIEN: Not quite. Narracan.

Ms THOMAS: Okay. But the Ellinbank SmartFarm is on track—and, Mr Hibbins, you will be interested in this too—to be the world's first carbon-neutral dairy farm by 2026. Our agriculture sector pledge includes funding to support the research and development of grain additives that reduce methane being emitted by dairy cows. Methane is agriculture's great challenge when it comes to reducing its carbon emissions, and while dairy cows are potentially an easier sector to work with because they get fed twice a day while they are being milked, the work that we are doing there is groundbreaking and it is world leading. The scientists that we have in Agriculture Victoria are second to none. I was out at AgriBio at Latrobe again only this week—

Mr LOWE: Monday.

Ms THOMAS: Monday, thank you. And out at AgriBio what I saw was, again, researchers and scientists—and it is always important to note that our scientists work in collaboration with academia and indeed with industry. They are doing some really interesting work on pest control and particularly the Queensland fruit fly, which is an ongoing challenge for our fruit growers in Sunraysia and the Goulburn Valley and elsewhere. The work that they are doing on pest control is quite astounding. And I think what is also important about our science and research capabilities here in Victoria is we are now looking to commercialise those, and that is a very exciting prospect for all of us here in Victoria.

Ms RICHARDS: Thanks, Minister.

The CHAIR: Thank you. Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. Thank you, Minister. Minister, just going back to Mr O'Brien's question and your comments subsequently where you said you would stand by workers and you would stand by industries, but in your second breath you have just given the green light to activists and protesters to disrupt legitimate agricultural industries because you have basically said they will not get fined because they will not have the ability to pay. Can you confirm that you will give the green light to activists and protesters to disrupt our legitimate agricultural industries?

Ms THOMAS: That is a nonsense question, Mrs McArthur.

Mrs McARTHUR: Well, that was what you said.

Ms THOMAS: No, it was not.

Mrs McARTHUR: You are not going to pursue people that disrupt industries because they have not got the ability to pay the fines. Is that what you said?

Ms THOMAS: Mrs McArthur, as I have said, these are decisions that are made by VicForests.

Mrs McARTHUR: Well, you are responsible for VicForests.

Ms THOMAS: Yes, but I do not direct VicForests.

Mrs McARTHUR: Well, we will wait till we see that. Maybe you do not recall you have. Anyway, Minister, why have you supported the government cutting 100 jobs from Agriculture Victoria while the Department of Premier and Cabinet has added 600 staff since 2014, most of whom are spin doctors, not scientists who would actually help Victorians increase food and fibre production?

Ms THOMAS: Thank you for that question, Mrs McArthur. I think it is probably important at this point to make the point that our government has invested \$30 billion in rural and regional Victoria. This is more than five times what was delivered when—

Mr D O'BRIEN: The question was about agriculture.

Mrs McARTHUR: What about the 100 jobs cut in agriculture?

The CHAIR: Mr O'Brien and Mrs McArthur, could you please allow the minister the opportunity to answer you.

Ms THOMAS: the party that you represent was in government.

Mrs McARTHUR: Well, she needs to answer the question.

The CHAIR: Mrs McArthur, she cannot answer the question because you are talking over the top of her before she has had a chance to actually try and give you an answer to your question. If you could allow her that opportunity, it might be more productive.

Mrs McARTHUR: The question is very simple: 100 job cuts.

The CHAIR: Well, if it is a very simple one, then I am sure she will like to answer.

Mrs McARTHUR: She can give a simple answer.

The CHAIR: Mrs McArthur, could you please stop interrupting and allow the minister the opportunity to answer your question.

Ms THOMAS: Thank you, Mrs McArthur. So in last year's budget the government asked our departments to make savings, and these were to be delivered right across the Victorian public service. In DJPR the agriculture group is the largest of all of the DJPR groups, and the CEO of Agriculture Vic, Matt Lowe, who is here with me, has been working hard to deliver the savings that the government has required of him. And I might say, in contrast again to the previous Liberal-National government, this has been done in full consultation with the CPSU and at all times with an eye to ensuring that we are well placed to continue to support our agricultural industries into the future.

Mrs McARTHUR: Okay.

Ms THOMAS: And so—I have not finished answering, if you may—109 positions have been taken out of Agriculture Victoria. We still have a staffing number of around 1200, and I might also add, Mrs McArthur—and I am sure you would understand this—that staffing numbers fluctuate in response to the need and demands that the sector may face at any given time. But I need to tell you a few things. As I said, I was out at AgriBio the other day. I will tell you a few things, including—

Mrs McARTHUR: Okay. Well, that is terrific. We are very pleased you went on a tour, Minister.

Ms THOMAS: down at AgriBio—I want to talk about research and science.

The CHAIR: Mrs McArthur, you asked the question. If you could allow the minister the opportunity to answer, that would be appreciated.

Mrs McARTHUR: Well, she has answered it. Can I ask the Secretary, please: Secretary, how many redundancy packages have been offered to staff in Agriculture Victoria?

Mr PHEMISTER: Mrs McArthur, this financial year, currently?

Mrs McARTHUR: Yes.

Mr PHEMISTER: We do not offer redundancy packages as a general rule.

Mrs McARTHUR: Well, you are having to cut the number. The minister has just said.

Mr PHEMISTER: We went through—

Mrs McARTHUR: Early retirement?

The CHAIR: Mrs McArthur, could you allow the Secretary the opportunity to answer without interruption?

Mr PHEMISTER: Early retirement packages, Mrs McArthur, not redundancies—yes.

Mrs McARTHUR: Yes? How many?

Mr PHEMISTER: Early retirement packages are on the ATO website. We have to apply to the ATO to make sure that they qualify for the tax treatment associated with early retirement packages. We had a total in Ag Vic of 145 offered, and 100 of those were accepted by staff.

Mrs McARTHUR: Is that across the whole department?

Mr PHEMISTER: No. So we applied for 250 on the ATO website. It went up on the website. We distributed that through the groups as per size of the group, and of the 250 offered we had 173 accepted.

Mrs McARTHUR: Okay. So anyway, we have taken about 10 per cent out of the workforce it appears, out of Ag Vic. Anyway, Minister, can you guarantee that there will be no further job cuts to Agriculture Victoria for the remainder of 2021–22 or in the upcoming 2022–23 financial year, such as ongoing early retirement packages?

Ms THOMAS: Mrs McArthur, can I take this opportunity to remind you that when the Member for Murray Plains was the Minister for Agriculture he cut 500 jobs from Agriculture Victoria.

Members interjecting.

The CHAIR: Mr O'Brien, Mr Newbury, Mrs McArthur.

Mrs McARTHUR: What happened when Bolte was in power? I mean, how far do we go back?

The CHAIR: Mrs McArthur, you ask the questions. You need to allow the people opposite the opportunity to answer them.

Mr Newbury interjected.

The CHAIR: Mr Newbury, you do not have the call.

Mr D O'Brien interjected.

The CHAIR: Mr O'Brien, you do not have the call.

Mrs McARTHUR: Well, Chair, could the Minister please be relevant?

The CHAIR: Mrs McArthur, you have asked a question and you need to allow the witness the opportunity to answer your propositions as well as your questions.

Mrs McARTHUR: On a point of order, Chair, could she please be relevant?

The CHAIR: Mrs McArthur, there is no point of order. The Minister has not been speaking long enough for any of us to be able to determine whether it is relevant because you constantly interrupt. Could you please allow the Minister the opportunity to answer?

Ms THOMAS: The government delivered in its last budget savings measures that we have asked the public service to implement. I understand that negotiations, which of course I am not part of, which are between the Secretary, the union and the staff of DJPR, are still taking place, and indeed of that number there are still—Secretary, I might let you explain, because it is the Secretary's job to manage and implement the decisions of government.

Mr PHEMISTER: Thank you. Just in terms of numbers, we had anywhere between 4000 and 4500 staff during the year, so that puts the ERP number into a bit of context, and they flow—we had to scale up because of COVID treatment. Mrs McArthur, specifically to Ag Vic, there are no new savings targets in this budget, and whenever we are given savings targets we first try to take them out of the corporate entity before we pass them on to the individual business units. Staff reductions are always a matter of last resort. Some of those staffing numbers are co-funded by industry as well, so that is really important to know when we talk about Ag staffing numbers and Ag budgets.

Mrs McARTHUR: Okay. Secretary, can you tell me how many jobs will be cut out of the Warrnambool sector?

Mr PHEMISTER: I cannot, Mrs McArthur, because—

Mrs McARTHUR: Can you take it on notice?

Mr PHEMISTER: I can take it on notice, but I will not be able to answer that within the time frames the committee has because we are in a clause 11 process with the union and change processes run beyond the time frames that I have to respond to your questions on notice, so I will not be able to include it.

Mrs McARTHUR: Union issues.

The CHAIR: Thank you, Secretary. Ms Taylor.

Ms TAYLOR: Further to the subject of our wonderful Victorian produce, can I refer you to budget paper 3, pages 75 and 72, and could you please explain how the Victorian grown budget measure will support local producers?

Ms THOMAS: Well, thank you very much, Ms Taylor, for that question. Victorian grown is a fantastic initiative that has been announced in this budget, and we have set aside \$2.9 million for that program. As I have said to you before, Victoria is absolutely Australia's agricultural powerhouse. What we are focused on at the moment is how we can continue to grow our export market and take more of our great produce to the world.

But before I talk about exports, I might talk about even our domestic market. What we saw during COVID—and I am sure everyone on this committee experienced this—is that people became ferociously local, and they really wanted to support local business, local growers and get behind small business that was doing it tough during COVID. And I think even when we think about what the supermarkets were telling us—that more people were purchasing what they call 'scratch products', so people were cooking more at home and thinking more about the fresh ingredients that they were using, and they were very conscious also of the challenges that were being faced by the agricultural industries at that time.

Here in Victoria we have so many great brand attributes. Our food is world class. I mean, you know that. You know the variety. You know the quality. And we have great credentials for being clean and green. Indeed only recently I was at the Melbourne Food and Wine Festival, where I had the great fortune of meeting with Nigella Lawson. Unprompted, Ms Lawson wanted to speak with me about the quality of our food, our food quality and assurance systems and how they were world class. So of course with all of these attributes and indeed the endorsement of global superstars like Nigella Lawson we think there is a great opportunity to really grow those brand strengths, and Victorian grown is about also growing the pride in our primary producers of the quality of their product. So we have got this \$2.9 million investment to ensure that not only our domestic markets grow

but that our international markets grow. So we want producers to be able to brand themselves as Victorian grown.

This is a really kind of complex and interesting area because often producers might be contracted to other suppliers and so on, and they end up losing their own story in all of that. So Victorian grown also leverages off investments that we made last year in traceability systems, which I might say are primarily driven by safety and trade requirements. Victorian grown is about adding that other kind of branding element that differentiates our product and highlights it for the great quality that we produce here. So we will be working with producers and industry and looking at what works elsewhere.

Indeed in Western Australia they have a program called Buy West Eat Best. Why would you do that when you can actually eat Victorian produce? We have got so much that we are growing here. As I said in one of my earlier answers, the great opportunity for us is in value-adding to our primary product, and we are seeing this in myriad small businesses and smaller producers of premium product. Victorian grown is only going to help us do that. At Vic House in Shanghai, again, we have so many Victorian products on display so that purchasers and supermarket reps and so on can come and see all of this product firsthand. Victorian grown is just a further assurance that if you buy Victorian grown, you are getting best in class.

I wanted to tell you briefly I was at the MCG last parliamentary sitting, before Parliament, for the Lambassador event. The Lambassador program is one that our government supports in partnership with the meat and livestock association. This part of the Lambassador program saw 25 chefs from many different markets but predominantly Asian countries—Malaysia, Thailand, Singapore, South Korea, Japan, Vietnam—but also from the UAE, influencer chefs in their own countries, come to Victoria to learn so much more about lamb and how to cook it and use it. Of course they had dinner at Maha. As a group they were very keen to take back some of the Middle Eastern flavours that go so beautifully of course with lamb. And they got to visit a farm. They were very interested in nose-to-tail butchery and using the whole of the beast. It was incredible to meet these chefs and see how excited they were about the quality of our produce and how they want to take it back to their countries. This is all part of our strategy of course to grow our primary produce exports to \$30 billion. Ms Taylor, many exciting things are happening. And as you well know, in your electorate Prahran Market showcases so much incredible Victorian produce—

Ms TAYLOR: Indeed it does.

Ms THOMAS: and I really look forward to visiting the market with you—

Ms TAYLOR: Yes. You are welcome.

Ms THOMAS: so that we can come and see Victorian produce—premium produce. I think that farmers are very, very happy to see that their products are being sold at premium prices in Prahran to cashed-up Melburnians. This is an excellent outcome for agriculture. Ms Taylor, I really look forward to taking that opportunity to come and visit you sometime.

Ms TAYLOR: Please do. I think we have just enough time to explore the Drink Victorian program. Has it been a success, and will anything change through this investment?

Ms THOMAS: Drink Victorian has been a great success. It has been backed by a \$1.5 million investment by our government. Drink Victorian responds to the problem that here in Victoria so many wine bars, cafes and restaurants do not feature Victorian wines. They pander to a kind of outdated notion that good wines come from France or South Australia or Tasmania. Drink Victorian is about promoting the wines that are made here—world class again. We are encouraging more restaurants, cafes, wine bars and so on—I say ‘wine bars’, but it is not just wine; it is also of course our other great drinks. We are encouraging those establishments to provide more Victorian wines and drinks by the glass so that people can first purchase at an achievable pricepoint before making a decision whether or not to buy a bottle.

Ms TAYLOR: Thank you.

The CHAIR: Thank you, Ms Taylor. Mr O’Brien.

Mr D O'BRIEN: Thank you, Chair. Minister, could I just go back to the native timber industry. How much money is allocated in the budget or contingencies to compensate mills for the failure to deliver timber this year?

Ms THOMAS: Thank you, Mr O'Brien, for that question. The issue in relation to timber supply for this year is in fact still a live issue, and indeed I met with the CEO of VicForests only two days ago to discuss this issue. We continue to work hard every day to deliver the timber supply that has been committed to, but this is an evolving situation. It changes from day to day—

Mr D O'BRIEN: The question—

Ms THOMAS: It changes from day to day, Mr O'Brien, as I am sure you would know.

Mr D O'BRIEN: Is there funding allocated in contingencies to cover compensation?

Ms THOMAS: I might ask Mr Smith to answer that question.

Mr SMITH: VicForests enters agreements and contracts with all of its workforce, so any standdown payments are subject to those agreements, and the content of those contracts is a confidential agreement between the contractors and VicForests.

Mr D O'BRIEN: What is the quantum of the shortfall of delivery so far this financial year?

Mr SMITH: Of?

Mr D O'BRIEN: The shortfall of timber delivery to mills.

Ms THOMAS: Again, this is a dynamic situation, Mr O'Brien.

Mr D O'BRIEN: I am asking about up until now. I mean, I heard two months ago one of our biggest mills still had less than 50 per cent of what it should have had at that time.

Ms THOMAS: We are acutely aware that this year we have had shortfalls, and indeed that is why our government has taken action to secure the supply in accordance with the *Victorian Forestry Plan*—

Mr D O'BRIEN: From where?

Ms THOMAS: and throughout this year we have been working hard to deliver greater regulatory certainty to the sector. We have done that, as I said, through the 3000 code amendments. Legislation has passed to establish the compliance standards—

Mr D O'BRIEN: Sorry, Minister, the question was specifically about the volume. I understand if you cannot tell me that now. Perhaps, Mr Smith, you might be able to take it on notice and check with VicForests if that is possible.

Mr SMITH: I will take it on notice.

Mr D O'BRIEN: Thank you. Continuing the theme of supply, Minister, we know the government announced \$2 million to build a plantation nursery at Nowa Nowa and did not actually check whether the site was viable and has now had to abandon that. Nowa Nowa has been abandoned. Does that mean that a forestry transition target has failed at its first test? And how will the government actually deliver its commitments to get additional volume of timber given that it now does not have a nursery?

Ms THOMAS: Thank you for that question. VicForests have now identified an alternative site, and I expect that they will be looking to establish that nursery as soon as possible. But again, can I point out that the—

Mr D O'BRIEN: Have they announced where that site is, Minister?

The CHAIR: Mr O'Brien, could you allow the minister the opportunity to finish.

Ms THOMAS: Sorry, I just need to point out that 85 per cent of our timber industry is based on plantation timbers, which are currently—

Mr D O'BRIEN: And this is a plantation nursery.

The CHAIR: Mr O'Brien, please stop interrupting.

Ms THOMAS: Yes. That is the current state. Our government has invested \$110 million in the Gippsland plantations investment program—

Mr D O'BRIEN: Funny you should mention that.

Ms THOMAS: Well, I am very—

Mr D O'BRIEN: Where is that up to?

The CHAIR: Mr O'Brien.

Ms THOMAS: Well, I am very happy—

Mr D O'BRIEN: Five years down the track, there are still no trees, there is still no process. Where is the—

The CHAIR: Mr O'Brien, if you would like to answer your own questions, there is no point in coming here today.

Mr D O'BRIEN: Well, the minister has moved on.

The CHAIR: If you could allow the minister to answer, that would be appreciated.

Mr D O'BRIEN: There was \$110 million allocated five years ago, Minister. There are kids who were born then who are now starting school. We got told last year that that was ready to go, that we were almost about to announce it so that there could be plantations this winter. Is that still going to happen?

Ms THOMAS: Yes. We are currently in negotiations with the preferred supplier. They are obviously commercial in confidence, and I cannot make any more statements about that except to say that we are very pleased with the progress that we have been making. It is interesting because last night, as I was preparing for today's meeting, I was looking at the promise of 1 billion trees that was made by the federal government in 2017. And do you know how many trees have been planted?

Mr D O'BRIEN: I am not sure how that is relevant to the—

Mr Newbury interjected.

The CHAIR: Mr O'Brien and Mr Newbury.

Ms THOMAS: Well, I can tell you that only 4000 hectares, representing less than 1 per cent of the commitment to the 1 billion trees, has been delivered

Mr Newbury interjected.

The CHAIR: Mr Newbury.

Ms THOMAS: And that is a reminder also, Mr Newbury, that our government has a role to play, but the federal government likes to talk about its achievements and its commitment to the forestry industry—

Members interjecting.

The CHAIR: Mr O'Brien. Mr Newbury.

Ms THOMAS: and indeed it has failed to deliver. We have real money on the ground. We are negotiating now. Our timber mills are innovating every day, and indeed—

Members interjecting.

The CHAIR: Order! Mrs McArthur, Mr Newbury and Mr O'Brien, it is very difficult for the witnesses to answer your questions, let alone for us to hear them, when you are constantly interrupting. Could you please—

Mr D O'BRIEN: Because she is not answering our questions, Chair.

The CHAIR: Mr O'Brien.

Mr D O'BRIEN: She has not been remotely relevant to the questions.

The CHAIR: Mr O'Brien, it is impossible for anyone to answer your questions when you are constantly interrupting.

Mr D O'Brien interjected.

Ms THOMAS: I am sorry, but I have not finished answering the question. If I may—

Mrs McArthur interjected.

The CHAIR: Mrs McArthur.

Ms THOMAS: Now, Mr O'Brien, it was very pleasing to note the other day, on 12 May, that Midway Ltd—and again this points to the importance of the private sector, which I thought would have been particularly of interest to the Liberal-National Party; this goes to show the confidence here in Victoria—invested \$200 million in new plantations in the south-west. So this—

Mr D O'BRIEN: Great. So what has that got to do with you?

The CHAIR: Mr O'Brien.

Ms THOMAS: What it has to do with me is I am interested in growing the timber industry here in Victoria.

Mr D O'BRIEN: So why haven't you done anything with the money you allocated five years ago?

The CHAIR: Mr O'Brien.

Mr D O'BRIEN: Can we move on, please, Chair?

Ms THOMAS: And this \$200 million—

Mr D O'BRIEN: This is not the question I asked.

The CHAIR: Mr O'Brien, the minister is attempting to answer your questions—

Mr D O'BRIEN: No she is not.

The CHAIR: and you are constantly—

Mr D O'BRIEN: She is not even close to it.

The CHAIR: Mr O'Brien, please do not yell. You are constantly interrupting.

Mr Newbury interjected.

The CHAIR: Mr Newbury.

Mrs McARTHUR: Okay. Thank you, Minister. Minister, why didn't you intervene sooner on behalf of the Dja Dja Wurrung traditional owners and their request for VicForests to salvage the timber on the floor of the Wombat Forest when DELWP was blocking the operation?

Ms THOMAS: Thank you, Mrs McArthur, for the question. The recovery and salvage process is a difficult and complex one. The Wombat forest, as you may know, actually parts of it are in my electorate, so I know this area very, very well. The storms of June 2019 were absolutely devastating for this region, and the first priority,

as you would expect, was to remove trees that had damaged homes, that were endangering lives, that had an impact on business, and then it was to clear roads. You have no idea of the devastation.

Mrs McARTHUR: But will you compensate the Dja Dja Wurrung people because of the downgraded quality of the timber due to your government delays in salvaging it?

The CHAIR: Mrs McArthur, could you please allow the minister the opportunity to answer your question.

Mrs McARTHUR: She has got to answer it.

The CHAIR: She is attempting to, Mrs McArthur, and you are interrupting her again.

Ms THOMAS: Thank you. Then VicForests partnered again with DELWP to help roadside clearances and also fire tracks and so on through the forest. Dja Dja Wurrung contracting VicForests to help salvage and restore the forest is a first of its kind. It is a great agreement. I know Mr Rodney Carter very, very well, of the Dja Dja Wurrung, and I know that he is indeed very happy with this agreement that is now in place. But, Mrs McArthur, again the scale of salvage work that was required to make small communities like Trentham, Bullarto, Lyonville safe has been quite extraordinary, and I do not think you can comprehend the volume of timber that was downed in those storms. So Dja Dja Wurrung and Mr Rodney Carter are working—

Mrs McARTHUR: So they have just missed out on—

The CHAIR: Mrs McArthur, your time has expired. Mr Richardson.

Mr RICHARDSON: Thank you, Chair. And thank you, Minister and department representatives, for joining us this morning. Minister, I want to take you to the topic of biosecurity, and I refer to budget paper 3 at page 74. For the committee's benefit I am wondering if you could describe the funding for collective biosecurity in this year's 2022–23 budget and how this is contributing to a broader picture of Victoria's biosecurity system.

Ms THOMAS: Okay. Thanks very much, Mr Richardson, for that. That is a really important question, so I thank you for raising it. Obviously biosecurity is critical to protecting our landscapes, our communities, our cultural heritage and our environment from the impacts of harmful pests and diseases, and it is absolutely essential to protect our agriculture industries, both our domestic and export industries. It requires all of us to work together.

Governments have a choice between investing in biosecurity or neglecting it, and throughout our time in government the Andrews government has invested in enhanced biosecurity. Under the 2022–23 budget we have committed \$1.8 million to work with both community and industry in delivering a collective biosecurity program. So this builds on our very strong record of investment, including over \$155 million in new funding over the term of this government. Our investment, I might add, is in stark contrast to the previous government, which slashed livestock biosecurity funding by half and cut vital frontline staff by 42 per cent. That is the legacy of The Nationals in government with the agriculture portfolio. It was the Liberals and The Nationals who gutted our biosecurity system.

Under our government we are restoring investment, responding to growing risks and reforming our biosecurity system to ensure it is strengthened and ready for the challenges of the future. Whether it be through our \$142.5 million strengthening Victoria's biosecurity system program or key initiatives such as the introduction of electronic sheep tagging, where Victoria is leading the nation, it is Labor that is delivering the biosecurity system our state needs.

So this year's investment is on this notion of shared responsibility. The days of thinking that government can do it alone just no longer make sense. Government needs to partner with industry and with communities on the ground. We all have a role to play in detecting pests and diseases, and part of our role in Agriculture Victoria—and this goes to the way in which the role is changing—is to ensure that we are educating the community. Now, we have seen that successfully through the rollout of our government's additional funding and support to fruit fly funding where we have long worked with industry and community in partnership. We need to keep growing the community's awareness and understanding of the threats that our world-leading agriculture sector faces. Strong relationships, expanded networks, targeted communications and more capability actions will be funded

under this initiative. When we think about the work that we have done so far, community and industry groups have told us that they need appropriate support but to allow them to build their capabilities and to deliver that shared responsibility practically and effectively. That is what this funding is all about.

When I think about the most recent threat that we have faced, which is Japanese encephalitis—Japanese encephalitis has made its way into Victoria. It is currently impacting piggeries in the north of our state. I might say that we cannot talk about Japanese encephalitis without talking about climate change. Japanese encephalitis is spread by mosquitoes, and what we are seeing is more of these vectors travelling south as our climate changes. So we need to be much more alert to these previously exotic diseases that we never thought would make their way to Victoria but are now increasingly posing a threat to us. Can I say that when I talk about collective impact, it is also important that we work well as a nation, because let us not forget at the end of the day it is the federal government that has primary responsibility, as they like to remind us, for securing our borders, but that includes from pests and diseases. We really need to be able to work in cooperation and collaboration with a federal government that is focused on supporting the states to do their bit when we face these threats.

We have been working closely in the department to manage the increasing threat of other exotic diseases. These include African swine fever, lumpy skin disease and foot-and-mouth disease. Disturbingly, these diseases have now made their way to Indonesia and I think to Papua New Guinea—am I right? No, that might be another—

Mr LOWE: Just Indonesia at this stage.

Ms THOMAS: Just Indonesia. Sorry, I will strike that. So just to Indonesia, but as we all know Indonesia is very close. We really do need a very focused effort on working to keep these diseases out, and that is what our government's investment is determined to do.

Mr RICHARDSON: Thank you, Minister, for that important overview and perspective. I want to take you to the topic of community pest and weed management. The initiative describes and mentions the support for such management. For the committee's benefit, I am wondering if you could elaborate on the importance of this approach and what are some examples of what is in the targets.

Ms THOMAS: Thank you very much. That is a great question. Once again this year's budget includes half a million dollars to pilot a community pest and weed management fund, which will support community-led action. As I was saying earlier, our farmers are deeply committed to caring for the land and keeping out pests and diseases. I see that every day when I am out meeting with farmers on the ground. They come together; they understand these are landscape challenges so you need to work in cooperation and collaboration with neighbours, local government and so on. No farmer can do it on their own, so community-led action is most effective.

We have got some great existing networks including the Victorian Rabbit Action Network, the gorse task force, the blackberry task force and the serrated tussock working party, which I might say is very active in my electorate. Indeed out Romsey way there is a big focus on seeking to eradicate serrated tussock. These groups focus on a pest or a weed which is established in Victoria, in their region, and they work to manage and control it is probably the best way of describing it. Let us take rabbits as an example, one of the most challenging invasive species to manage in Victoria. They cause considerable damage to agriculture and to the environment, but our Victorian Rabbit Action Network is world leading when it comes to management of rabbits in the agricultural landscape.

Mr RICHARDSON: Thank you.

The CHAIR: Thank you, Minister. Mr Barton.

Mr BARTON: Thank you, Chair. Good morning, team and Minister.

Ms THOMAS: Good morning, Mr Barton.

Mr BARTON: Minister, you mentioned in your presentation that you had facilitated the entry and quarantine of over 2470 Pacific workers to fill very much-needed roles. We know through COVID there was severe shortage of overseas workers. Can you tell me, thinking about forward estimates, what our demand will

be, and have we got a plan and are we going to be able to fulfil that plan to make sure we have enough workers to come in?

Ms THOMAS: Yes. Thank you very much, Mr Barton. That is a really great question. Since the time that I was appointed Minister for Agriculture I have been working very closely on these issues and indeed have grown a deep understanding of the various programs that exist to support our agricultural industries with the workers that they need. I might also, if I may, use this opportunity to thank both Ms Richards and Mr Maas, because they have significant Pacific Islander populations in their electorates and we have worked closely together on the wellbeing of and the care for people who are away from home working here to help our agricultural industry.

Can I tell you that since 2012 more than 64 000 work visas have been issued under the commonwealth's PALM scheme, including the seasonal worker program and the Pacific labour scheme. Indeed this is a really great program and one that our government has been proud to support. However, when we heard of concerns expressed at the Senate inquiry in relation to the treatment of workers, I was very quick to write to the Minister for Foreign Affairs, Senator Marise Payne, to make clear our concerns that if the Victorian government was going to back this scheme, which we are very happy to do—it is meant to be highly regulated—then we wanted assurances that it was going to work well, because we will not stand by while workers are being exploited in our agricultural industries.

Mr BARTON: That was actually my next question, Minister, if we can go there.

Ms THOMAS: Oh, I am sorry, Mr Barton. I come back to thinking to the issue that you asked me, which is about planning for the future.

Mr BARTON: And the numbers.

Ms THOMAS: The Pacific Islanders scheme—the PALM scheme—will remain a very, very important part of our agricultural workforce into the future, and we certainly want to continue to grow that. But, as I said, when I first became minister one of the things I was really struck by was that COVID exposed the weaknesses of our over-reliance on overseas workers, and we needed to do more to ensure that we were growing the workforce here in Victoria as well. Indeed one of the initiatives that we implemented was the sign-on bonus, which was to encourage local workers to take up these much-needed roles as pickers and packers out in the horticulture sector. I might also say that this was a very successful program. I am going to tell you, because I do have the information here, about the number of workers: 3883 local workers have undertaken at least 10 days of seasonal work, and they contributed more than 118 000 working days to the harvest, so we cannot give up on local workers.

One of the initiatives that I have been really proud to announce, and I talked about the ongoing support that is embedded in this budget for seasonal workers: I was out at an apple orchard in Mooroopna not long ago announcing our government's commitment to the first-ever horticulture traineeship, which will enable workers who are undertaking seasonal work to also qualify for and gain skills towards a horticulture traineeship. Now, what the horticulture sector tells me is that the seasonal workforce—the pickers and packers—is always a challenge. I know as borders open we will continue to see, you know, young people come back into our nation and take up some of those roles, but what we really need to do is face the challenge that our horticulture sector faces, which is that it is missing a layer of expertise in the supervisory and management roles on these farms. The traineeship looks to grow these skills. Mr Maas, again from your former role, you will know farm working life and that there is a real need for this kind of middle level of skills on our farms, so our traineeship program is focused on developing that. We are trialling that this year, and I really look forward to successful outcomes from that program. I hope I have answered—

Mr BARTON: Well, Minister, I just really want to know: are we going to be able to have sufficient overseas workers to meet our requirements in the forward estimates?

Ms THOMAS: Well, this is really an issue for the federal government, because they control—

Mr BARTON: Whoever that may be after—

Ms THOMAS: Yes, whoever it may be, because that goes to visas and border control. But certainly the Victorian government stands ready. We support the PALM programs because they do provide a much-needed kind of cash injection to Pacific Island communities. Workers want to come here, earn money, take it back home and support their families and friends, but we will not tolerate exploitation of those workers.

Mr BARTON: I have got a question about that.

Ms THOMAS: Thank you. Okay.

Mr BARTON: Minister, thank you. I just want say that as someone who lived on a small farm up in northern Victoria I am certainly familiar with all those areas you are talking about, but I know that there has been some unfortunate treatment of overseas workers. What is the government going to do to make sure that their basic rights—workplace rights and conditions—are enforced and make sure that they are looked after properly?

Ms THOMAS: Thank you very much. Obviously, as a Labor member of Parliament and as a Labor agriculture minister, I will not stand for work exploitation or underpayment of workers. Indeed with the PALM scheme we rely on the federal government, who are responsible for the scheme, to honour their commitment of all workers receiving wages and conditions in accordance with Australian law. Now, when these allegations were made, as I said earlier, I wrote to Senator Marise Payne. I have got to say her answer, her response, did not fill me with confidence. I was seeking urgent advice on the changes that would be made to the scheme; no changes were forthcoming, again encouraged by my friends here. But we will not tolerate that. We have invested also, I might say, in some very important pastoral care programs. I would love to take the opportunity to talk you through those at another time if I may.

The CHAIR: Thank you, Mr Barton. Thank you, Minister. That concludes the time we have set aside for consideration of the agriculture portfolio with you today. The committee will follow up on questions taken on notice in writing, and responses will be required within five working days of the committee's request.

The committee will take a 15-minute break before resuming consideration with you of the regional development portfolio. I declare this hearing adjourned.

Witnesses withdrew.